

UNIVERSITI TEKNOLOGI MARA

IMPACT OF SUSTAINABILITY PRACTICES ON
DEVELOPER COMPANIES' PERFORMANCE IN
THE MALAYSIAN CONSTRUCTION INDUSTRY

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ABSTRACT

The concept of sustainability is important nowadays in the construction industry as the stakeholders believe that this aspect can somehow increase the potential of the performance and the return of investment in the business market. This study is about sustainability practices in the construction industry in Malaysia. Prior research shows that the Malaysian construction industry is still not fully implementing sustainability practices. There are even cases that show that due to the lack of sustainability implementation, the construction project is damaged or involved in disaster. The objectives of the study are 1) to examine the level of understanding on sustainability practices in the building construction industry in Malaysia; 2) to examine the level of sustainability practices in the building construction industry in Malaysia; 3) to determine the level of organisation performance of the building construction industry; 4) to examine the influence of sustainability practices on the performance of the companies in the building construction industry in Malaysia; and 5) to examine the moderating role of size of the organisation on the relationship between sustainability practices and the organisational performance. This study used questionnaires to collect the data needed from the respondent in the selected industry. The research design used in this study is the cross-sectional study. The independent variables of this study consist of the three aspects of sustainability namely social, economic and environment. For this study, the balanced scorecard is used to measure the dependent variable which is organisation performance. The study found that the level of understanding for all the respondents are mostly moderate, around 50 percent of the respondents understand what sustainability means and about 30 percent believe that sustainability is being 'environment friendly'. This study also found that economic and environmental aspects of sustainability practices have a positive and significant influence on performance. In addition, the size has no moderating effect between the organisation practices and performances. The level of sustainability practices is in moderate level which is consistent with previous research prediction. For the moderating effect of the size of the organisation to the performance of the organisation in practising sustainability, this study found that all the sizes of organisation has no moderating effect on the organisation performance.

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